GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:3538
ANSWERED ON:18.04.2005
STEEL PLANT DEAL BETWEEN POSCO AND ORISSA GOVERNMENT
Patil Shri Balasaheb Vikhe

Will the Minister of STEEL be pleased to state:

(a) whether Pohang Steel Company (POSCO) and Government of Orissa proposed to enter into a Rs. 40,000 crore steel plant deal;

(b) if so, the details thereof;

(c) the estimated requirement of iron ore by POSCO;

(d) whether other steel companies will be able to get iron ore for their plants after this deal; and

(e) if not, the steps the Union Government proposes to take to meet the requirement of other steel plants in the State?

Answer

MINISTER OF CHEMICALS & FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a) & (b): As per available information, POSCO has evinced interest in setting up of a port based 12 million tones per annum integrated steel plant in Orissa. As per the proposal of POSCO, the first module of 3 million tones per annum is expected to be completed in 2009. Thereafter, 3 million tones per annum will be added every two years so as to reach the full capacity of 12 million tones per annum. No Memorandum of Understanding has been signed between POSCO and Government of Orissa till date.

(c) As per the industry`s norms, normally 1.6 million tones of iron ore lumps/fines is required for production of one million tones of hot metal. Accordingly for a 12 million steel plant 19.2 million tones iron ore lumps/fines per annum will be required.

(d) & (e): Does not arise as no Memorandum of Understanding has been signed by the concerned agencies till date.